

**Statement of the Honorable Corrine Brown, Chairwoman
Subcommittee on Railroads, Pipelines, and Hazardous Materials
Hearing on Freight and Passenger Rail: Present and Future Roles,
Performance, Benefits, and Needs
January 28, 2009**

The Subcommittee on Railroads, Pipelines, and Hazardous Materials will come to order.

I want to welcome everyone to our first hearing of the 111th Congress. I am proud to say that we are now the second largest subcommittee on the Committee on Transportation and Infrastructure. I think that is due, in large part, to the increasing interest in freight and passenger rail as a solution to increasing gridlock on our nation's roads and the environmental and economic problems that our nation is facing. I think it is also a reflection of the big achievements that this Subcommittee made last session.

We have a number of new members on the Subcommittee joining us this Congress that I want to welcome. Mr. Shuster and I are hosting a Meet & Greet with the new Members and representatives of the rail, pipeline, and hazardous materials community on February 3rd at 5:00 p.m. here in the main hearing room. I would encourage all our Members to join us.

I am, however, sad that the new Members will not have the honor of meeting one of our Brothers, Brokenrail, who passed away on December 19. Brokenrail served as National Legislative Director of the United Transportation Union. He worked tirelessly for each and every one of his union brothers and sisters. Every Member in the House and Senate – both Democrat and Republican – knew him and enjoyed working with him. He will be sorely missed. A memorial service will be held for him this afternoon at 3:00 p.m. in the Committee room. I hope you all will be able to join us.

The Subcommittee is meeting today to receive testimony on the roles of freight and passenger railroads in the U.S. economy; the impact of the current economic crisis on the railroad industry, its suppliers, and employees; the benefits of freight and passenger rail; and freight and passenger rail investment needs.

Congestion has become a major problem across all modes of surface transportation, including our railways. The U.S. Department of Transportation predicts that the demand for freight rail transportation will increase 88 percent by 2035.

At the request of the National Surface Transportation Policy and Revenue Study Commission, the railroad association commissioned an assessment of the capacity of the nation's rail system to accommodate the estimated increase in rail freight traffic. The study found that the

costs of improvements needed to accommodate rail freight demand in 2035 is estimated at \$148 billion (in 2007 dollars). Prior to the economic crisis, the Class I railroads anticipated that they would be able to generate approximately \$96 billion of their \$135 billion share through increased earnings from revenue growth, higher volumes, and productivity improvements, while continuing to renew existing infrastructure and equipment, leaving a balance for the Class I freight railroads of \$39 billion or about \$1.4 billion per year. Without this investment, the study estimates that 30 percent of the rail miles in primary rail corridors will be operating above capacity by 2035, and another 25 percent will be operating near or at capacity.

But the economic crisis has hit the rail industry and their investment needs may be greater than previously anticipated.

Funding must also be provided for intercity passenger and high-speed rail. With concerns still high about dependence on foreign oil and greenhouse gas emissions, Amtrak and the States are looking for opportunities to expand service. H.R. 2095, which was enacted at the end of last Congress, authorizes over \$13 billion for Amtrak and the States to help bring the Northeast Corridor to a state-of-good-repair and for capital expenses of the national rail passenger transportation system. We need to make sure those programs are fully funded.

And as we begin to develop and reauthorize the next SAFETEA bill, it is critical that the need for additional rail capacity for both freight and passenger rail be addressed. The future of ground transportation is on our rails, whether it is taking freight off congested highways or moving people on high-speed rail corridors.

There is no one solution that will solve rail congestion or the environmental and energy problems plaguing our nation. New and creative ideas from the government and the private sector must be utilized to increase and improve both freight and passenger rail capacity.

With that, I want to welcome today's panelists and thank them for joining us. I look forward to hearing their testimony.

Before I yield to Mr. Shuster, I ask unanimous consent that Members be given 14 days to revise and extend their remarks and to permit the submission of additional statements and materials by Members and witnesses.

Without objection, so ordered. I now yield to Mr. Shuster for his opening statement.